### FORM D



#### **UNITED STATES** SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

## FORM D

# NOTICE OF SALE OF SECURITIES PURSUANT TO REGULATION D. SECTION 4(6), AND/OR UNIFORM LIMITED OFFERING EXEMPTION

104	356
OMB APP	ROVAL
OMB Number:	3235-0076
Expires: Nov	ember 30, 2001
Estimated average	burden
haura nor form	16.00

SEC USE ONLY							
Prefix I	Serial I						
DATE RECEIVED							

Name of Offering ( check if this is an amendment and name has changed, and indicate change.) Units consisting of 20,000 shares of Series A Convertible Preferred Stock (the "Units")	
Filing Under (Check box(es) that apply): Rule 504 Rule 505 Rule 506  Type of Filing: New Filing Amendment	Section 4(6) ULPROCESSED
A. BASIC IDENTIFICATION DATA	FEB 02 2004
Enter the information requested about the issuer	7110040001
Name of Issuer ( check if this is an amendment and name has changed, and indicate change.)  Prospect Medical Holdings, Inc.	THOMSON FINANCIAL
Address of Executive Offices (Number and Street, City, State, ZIP Code)	Telephone Number (Including Area Code)
6083 Bristol Parkway, Suite 100, Culver City, California 90230	(310) 338-8677
Address of Principal Business Operations (Number and Street, City, State, ZIP Code)	Telephone Number (Including Area Code)
(if different from Executive Offices) same as above	same as above
Brief Description of Business  The Company is a health care management services organization which provides administrative and m physician associations.	anagement services primarily to independent
Type of Business Organization	A DOVED TO
corporation limited partnership, already formed other (please spe	cify):
business trust limited partnership, to be formed	// JAN 2 8 2004 >
Actual or Estimated Date of Incorporation or Organization:    Month   Year	

### GENERAL INSTRUCTIONS

Federal: Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When to File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:
This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

#### **ATTENTION**

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

> {1645/48/00088525.DOC; 1}Potential persons who are to respond to the of information contained in this form are not required to respond unless form displays a currently valid OMB number.

A. BASIC IDENTIFICATION DATA
2. Enter the information requested for the following:
• Each promoter of the issuer, if the issuer has been organized within the past five years;
• Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
• Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
Each general and managing partner of partnership issuers.
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner
Full Name (Last name first, if individual) Terner, Jacob Y., M.D.
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner
Full Name (Last name first, if individual) Dickson, Catherine S.
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner
Full Name (Last name first, if individual)  Vigil, Donna
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner
Full Name (Last name first, if individual)  Kahn, R. Stewart
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner
Full Name (Last name first, if individual)  Hodges, Linda
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner
Full Name (Last name first, if individual)  Spencer Trask Investment Partners LLC
Business or Residenœ Address (Number and Street, City, State, Zip Code) c/o 535 Madison Avenue, New York, NY 10022
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner
Full Name (Last name first, if individual) Paul Amir Family Trust, et al.
Business or Residence Address (Number and Street, City, State, Zip Code) 8730 Wilshire Blvd. Suite 300. Beverly Hills. California 90211

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

A. BASIC IDENTIFICATION DATA										
2. Enter the information requested for the following:										
• Each promoter of the issuer, if the issuer has been organized within the past five years;										
• Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;										
• Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and										
Each general and managing partner of partnership issuers.										
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or  Managing Partner										
Full Name (Last name first, if individual) Arulanatham, Karunyan, M.D.										
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230										
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner										
Full Name (Last name first, if individual)  Levinsohn, David A.										
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230										
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner										
Full Name (Last name first, if individual) Schwartz, Kenneth										
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230										
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner										
Full Name (Last name first, if individual)  Moorthy, Sinnadurai E., M.D.										
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230										
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner										
Full Name (Last name first, if individual)  David M. Frisch, M.D.										
Business or Residence Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230										
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner										
Full Name (Last name first, if individual)  Michael A. Turner										
Business or Residenæ Address (Number and Street, City, State, Zip Code) c/o Prospect Medical Holdings, Inc., 6083 Bristol Parkway, Suite 100, Culver City, California 90230										
Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner										
Full Name (Last name first, if individual)										
Business or Residenæ Address (Number and Street, City, State, Zip Code)										

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

		=		В.	INFORM	ATION AE	BOUT OFF	ERING					
1. Has th	ne issuer sol	d, or does	the issuer				vestors in the						NO
2. What	is the minin	um invest	ment that v		• • •			-				\$110,000	)*
<ul><li>3. Does</li><li>4. Enter</li></ul>	ct to the dis the offering the informa ilar remune	permit join	nt ownersh sted for eac	ip of a sing th person w	gle unit? vho has bee	n or will be	paid or giv	en, directly	or indirect	tly, any co	mmission	YES	NO
of the	is an association broker or detection the information ast name fire	ealer. If n	nore than f	ive (5) per	sons to be l								
	ast name in	, , , , , , , , , , , , , , , , , , ,	uuu.)										
Business or R	esidenœ Ac	Idress (Nu	mber and S	Street, City	, State, Zip	Code)		,					
535 Madiso				k, New Yo	rk 10022	•		··· <del>··</del> ····					
Name of Asso	ciated Brok	er or Deal	er										
Spencer Tr													
States in Whi	ch Person L : "All States					chasers					$\nabla$	All States	
[AL]	[AK]	· [AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]	
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]	
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]	
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]	
Full Name (L	ast name fir	st, if indivi	dual)										
Business or R	esidenœ Ac	ldress (Nu	mber and S	Street, City	, State, Zip	Code)		····					
Name of Asso	ociated Brok	er or Deal	er				<del></del>						
States in Whi												.i. a	
(Check [AL]	: "All States [AK]	or check	individual [AR]	States)	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	 [HI]	All States [ID]	
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]	
[MT]	[NE]	[NV]	[NH]	[N1]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]	
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]	
Full Name (L	ast name fir	st, if indivi	dual)										
			•										
Business or F	tesidenœ Ad	idress (Nu	mber and S	Street, City	, State, Zip	Code)							
Name of Ass	ociated Brok	er or Deal	er						- <u>-</u>		-		
States in Whi						rchasers						A 12 C: -	
(Checl	("All States [AK]	or check [AZ]	individual [AR]	States) [CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[] [HI]	All States [ID]	
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]	
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[он]	[OK]	[OR]	[PA]	
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]	

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

	C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF P	ROCEEDS	
1.	Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.		A
	Type of Security	Aggregate Offering Price	Amount Already Sold
	Debt	\$N/A	\$N/A
	Equity	\$14,850,000(a)	\$8,704,500.00
	Common Preferred		
	Convertible Securities (including warrants)	\$N/A	\$N/A
	Partnership Interests	\$ N/A	\$N/A
	Other (Specify)	\$0	\$N/A
	Total	\$14,850,000(a)	\$8,704,500.00
	Answer also in Appendix, Column 3, if filing under ULOE.		
(a)	Includes over-subscriptions of 31 Units (\$3,410,000).		
2.	Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."	ř	
		Number Investors	Aggregate Dollar Amount of Purchases
	Accredited Investors	113	\$8,704,500.00
	Non-accredited investors	0	\$0
	Total (for filings under Rule 504 only)	N/A	\$N/A
	Answer also in Appendix, Column 4, if filing under ULOE.	1071	Ψίνιτ
	Answer also in Appendix, Column 4, it timing under OLOL.		
3.	If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C - Question 1.		
	Time of affering	Type of	Dollar Amount Sold
	Type of offering Rule 505	Security N/A	\$N/A
	Regulation A		\$N/A
	Rule 504	N/A N/A	\$N/A
	Total		
	10(4)	N/A	\$N/A
4.	a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.	,	
	Transfer Agent's Fees		\$0
	Printing and Engraving Costs		\$7,500.00
	Legal Fees		\$200,000.00
	Accounting Fees.	<u></u>	\$0
	Engineering Fees		\$0

\* Spencer Trask Ventures, Inc. will receive a 10% placement fee and an accountable expense allowance with the right to receive warrants equal to 20% of the shares of Series A Convertible Preferred Stock sold.

\$ 15,000.00

Other Expenses (identify) Miscellaneous expenses

C	OFFERING PRICE	NUMBER	OF INVESTORS	EXPENSES AND	USE OF PROCEEDS

b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

\$13,062,500.00 Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C- Question 4.b above.

			Officers Directors, Affiliate	& Payments to
Salaries and fees			S0	so so
Purchase of real estate			\$0	☐ so
Purchase, rental or leasing and installation of mach	ninery and equipment		\$0	so
Construction or leasing of plant buildings and facil	lities		\$0	so
offering that may be used in exchange for the asset	ts or securities of another		\$0	
, ,		<u> </u>	50	□ so
pspect Medical Holdings, Inc. Title of Signer (Print or Type)  Title of Signer (Print or Type)				
Working capital			\$0	\$ 4,,562,500.00
Other (specify): Proposed Acquisition			\$0	\$ 8,500,000.00
			\$0	⊠ s0
Column Totals	······································		\$0	\$13,062,500.00
Total Payments Listed (column totals added)				513,062,500.00
	D. FEDERAL SIGNA	TURE		
signature constitutes an undertaking by the issuer to furnish	to the U.S. Securities and E	exchange Commission, upon		
Issuer (Print or Type)	Signature Pradle	Vinta Har	Date	ry 28, 2004
Name of Signer (Print or Type)			Janua	1720,2004
Jacob Y. Terner, M.D.		,,		

# ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001).

	E. STATE SIGNATURE								
Ι.	Is any party described in 17 CFR 230.262 presently subject to Not applicable			YES NO					
2.	2. The undersigned issuer hereby undertakes to furnish to any CFR 239.500) at such times as required by state law. Not approximately the control of the cont	•	which this notice is filed, a	notice on Form D (17					
3.	3. The undersigned issuer hereby undertakes to furnish to the offerees. Not applicable.	e state administrators, upon writte	en request, information furn	ished by the issuer to					
4.	4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform Limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied. <b>Not applicable.</b>								
	he issuer has read this notification and knows the contents to be athorized person.	true and has duly caused this notice	e to be signed on its behalf b	y the undersigned duly					
ssu	suer (Print or Type) Si	gnature	Date						
Pros	rospect Medical Holdings, Inc.		,						
Van	me of Signer (Print or Type) Title of Signer (Print or Type)								

Chairman and CEO

### Instruction:

Jacob Y. Terner, M.D.

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

## APPENDIX

1	Intend to non-a investor	d to sell accredited rs in State 3-Item 1)	Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)			5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)		
State	Yes	No	\$14,850,000 in Series A Preferred Stock	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	.No
AL		x	ii	0	0	0	\$0	Not	Applicable
AK	·	x	16	0	0	0	\$0	"	"
· AZ		x	**	1	\$27,000.00	0	\$0	Not	Applicable
AR		x	66	0	0	0	· \$0	"	"
СА		x	i.c	11	\$1,030,000.00	00	\$0	Not	Applicable
СО		x		1	\$25,000.00	0	<b>\$</b> 0	Not	Applicable
СТ		x		7	\$331,500.00	0	\$0	Not	Applicable
DE		x	e c	1	\$11,000.00	0	\$0	Not	Applicable
DC		x	£6	1	\$27,500.00	0	. \$0	Not	Applicable
FL		х		6	\$464,750.00	0	\$0	Not	Applicable
GA		х		. 1	\$27,500.00	0	\$0	Not	Applicable
ні		х	"	0	0	0	0	"	"
ID		x	"	0	0	0	0	"	"
IL		x	"	4	\$91,000.00	0	\$0	Not	Applicable
IN		x	"	ı	\$11,000.00	0	\$0	Not	Applicable
IA		x	"	0	0	0	0	"	
KS		x	66	0	0	0	0	"	"
KY		x	.,	0	0	0	0	"	"
LA		x		0	0	0	0	"	54
ME		x	46	0	0	0	0	44	"
MD		x	"	2	\$121,000.00	0	\$0	Not	Applicable
MA		x	"	7 .	\$363,000.00	0	\$0	Not	Applicable
MI		x	"	1	\$55,000.00	0	\$0	Not	Applicable
MN		x	и	2	\$137,500.00	0	\$0	Not	Applicable
MS		**	í,	0	0	0	\$0	"	"
МО		66	66	0	0	0	\$0		"

# APPENDIX

İ	Intendent to non-a	d to sell accredited rs in State 3-Item 1)	Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No	\$14,850,000 in Series A Preferred Stock	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
_ MT		x		0	0	.0	0	Not	Applicable
NE		x	۲4	0	0	0	0	"	"
NV		х	<b>د</b> د	1	\$50,000.00	0	\$0	Not	Applicable
NH		x	66	0	0	0	0	"	"
NJ		x	44	9	\$263,000.00	0	\$0	Not	Applicable
NM		х		0	0	0	0	"	"
NY		х	ç.	39	\$4,815,000.00	0	\$0	Not	Applicable
NC		x	46	0	0	Ö	0	"	44
ND		x	66	0	0	00	0	"	"
ОН		x	46	2	\$135,000.00	0	\$0	Not	Applicable
ОК		x		0	0	0	0	"	66
OR		x	ı,	0	0	0	0	"	- "
PA		х	66	2	\$44,250.00	0	\$0	Not	Applicable
RI		x		0	0	0	0	"	"
SC		X		0	0	0	0	"	"
SD		х		2	\$33,000.00	0	\$0	Not	Applicable
TN		х	66	_1	\$11,000.00	0	\$0	Not	Applicable
TX		х	"	4	\$107,500.00	0	\$0	Not	Applicable
UT		x	cc	0	0	0	0	"	44
VT		х	cc .	0	0	0	0	"	"
VA		х	44	_ 2	\$49,500.00	0	\$0	Not	Applicable
WA		х	44	0	0	0	0	"	:6
WV		Х		1	\$22,000.00	0	\$0	Not	Applicable
WI		х	"	0	0	0	0	66	۲.
WY		x	66	0	0	0	0	"	"
PR		x		0	0	0	00		"